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IESO SENIOR MANAGEMENT UPDATE

To: Stakeholder Advisory Committee

Date: February 6, 2008

Subject: Briefing note on Day-Ahead Forecast of Real-Time Prices

Information Item

At its [December 12, 2007 meeting](#), the IESO Board approved that an unconstrained day-ahead electricity market (UDAM)¹ continue to be investigated. In parallel with the DAM efforts, the Board endorsed further investigation of the merits of developing a price forecast.

IESO has initiated a [stakeholder engagement plan \(SE-58\)](#) regarding possible implementation of the day-ahead forecast of real-time prices.² Several non-dispatchable consumers and embedded generators have indicated that they would make use of a more accurate day-ahead price forecast to properly plan their production for the next day. In contrast, some stakeholders have suggested that it would be inappropriate for the IESO, the market operator, to publish a price forecast of real-time prices.

On [February 5, 2008](#), a meeting has been scheduled to gather feedback from stakeholders on (i) the expected costs and benefits to stakeholders of a day-ahead forecast of real-time prices and (ii) the effectiveness of the IESO's proposed real-time price forecast model as a tool for planning their next day's operations. Stakeholder feedback from this meeting will be used to produce a preliminary position paper which will be reviewed with stakeholders on March 7, 2008. A revised proposal incorporating stakeholder feedback will be presented to the Stakeholder Advisory Committee at the April 9th meeting for additional feedback. Following this the final proposal will go to the IESO Board on April 24, 2008.

¹ [Option 3 in November 5 Status Paper](#)

² [Option 1 in November 5 Status Paper](#)